



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2011 Biennium

<b>Bill #</b>	HB0526	<b>Title:</b>	Prohibit use of certain salts on local and state roads
<b>Primary Sponsor:</b>	Sales, Scott	<b>Status:</b>	As Amended

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns   |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### **FISCAL SUMMARY**

	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>	<b><u>FY 2012 Difference</u></b>	<b><u>FY 2013 Difference</u></b>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$2,117,654	\$433,654	\$433,654	\$433,654
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** This bill will prohibit use of certain salt applications that the Montana Department of Transportation MDT currently uses to conduct its winter road maintenance activities.

### **FISCAL ANALYSIS**

#### **Assumptions:**

#### **Department of Transportation**

1. No magnesium chloride or calcium chloride could be used for snow and ice control.
2. Current salt/sand usage, current brine usage and deicer usage were based on FY 2008 totals. The increase in cost reflected in this fiscal note is the difference when compared to current practices.
3. The cost estimate for the increase in salt brine to offset the elimination of magnesium or calcium chloride is \$433,654 per year.
4. Brine operations must be built in an enclosed building for environmental issues (prevent leaching) and because of the amount of water use in producing brine, the building will need to prevent freezing. Four salt brine facilities would need to be constructed to have sufficient supplies specifically for winter maintenance activities. The facilities include the foundation, tent, plumbing, brine maker, well, in floor hopper, and storage tanks. These would be constructed at a one time only cost of \$1,284,000.

5. Additional truck and trailers for salt operations would be required at a one time only cost of \$400,000.

	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>	<b><u>FY 2012 Difference</u></b>	<b><u>FY 2013 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Operating Expenses	\$433,654	\$433,654	\$433,654	\$433,654
Equipment	\$1,684,000	\$0	\$0	\$0
<b>TOTAL Expenditures</b>	<b>\$2,117,654</b>	<b>\$433,654</b>	<b>\$433,654</b>	<b>\$433,654</b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$2,117,654	\$433,654	\$433,654	\$433,654
<b>TOTAL Funding of Exp.</b>	<b>\$2,117,654</b>	<b>\$433,654</b>	<b>\$433,654</b>	<b>\$433,654</b>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$2,117,654)	(\$433,654)	(\$433,654)	(\$433,654)

**Effect on County or Other Local Revenues or Expenditures:**

1. Local governments would likely see additional expenditures on salt. This amount is undeterminable.

**Technical Notes:**

1. This bill needs to allow adequate time for MDT to gear up with a statewide brining operation. It would be requested that full compliance would be by July 1, 2010.
2. The facilities costs need to be included in LRB HB5.

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*Sponsor's Initials*\_\_\_\_\_  
*Date*\_\_\_\_\_  
*Budget Director's Initials*\_\_\_\_\_  
*Date*